

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2007-405-C**

|  |   |                             |
|--|---|-----------------------------|
| <b>In Re:</b>                                  | ) |                             |
| <b>Application of Sterling Telecom, Inc.</b>   | ) |                             |
| <b>for a Certificate of Public Convenience</b> | ) |                             |
| <b>and Necessity to Provide Resold Local</b>   | ) | <b>SETTLEMENT AGREEMENT</b> |
| <b>Exchange and Interexchange</b>              | ) |                             |
| <b>Telecommunication Services in South</b>     | ) |                             |
| <b>South Carolina and for Flexible and</b>     | ) |                             |
| <b>Alternative Regulation</b>                  | ) |                             |

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Sterling Telecom, Inc. ("Sterling" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on November 13, 2007, Sterling filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing Sterling to provide resold local exchange and interexchange telecommunications services throughout the State of South Carolina; (ii) alternative regulation of its interexchange business services, consumer card services, operator services, and private line services consistent with Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iv) for waiver of certain Commission Regulations, specifically Regulations 103-610 regarding location of records and 103-631 concerning publishing and distributing local exchange directories; and (v) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("USOA");

WHEREAS, on November 20, 2007, counsel for ORS entered a Notice of Appearance in this matter;

WHEREAS, on November 26, 2007, Sterling filed Supplemental Exhibit D to its application;

WHEREAS on November 27, 2007, the Commission issued a Notice of Filing and Hearing and established a return date of December 28, 2007, for the filing of letters of protest or petitions to intervene and established a hearing date of February 11, 2007 for the application to be heard before a hearing examiner;

WHEREAS, on December 12, 2007, the Commission issued its Order No. 2007-841 by which the Commission appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on December 17, 2007, the South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this docket;

WHEREAS, on December 20, 2007, Sterling pre-filed the direct testimony of Terry Wisecup with the Commission;

WHEREAS, on January 4, 2008, the SCTC filed with the Commission a Stipulation between the SCTC and Sterling;

WHEREAS, the purpose of this proceeding is to evaluate the application filed by Sterling and its requests (i) for a Certificate of Public Convenience and Necessity to provide resold local exchange and interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange business services, consumer card services, operator services, and private line services consistent with Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165

in Docket No. 97-467-C; (iv) for waiver of certain Commission Regulations, specifically Regulations 103-610 regarding location of records and 103-631 concerning publishing and distributing local exchange directories; and (v) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has performed an evaluation of the technical, managerial, and financial expertise of Sterling to provide the services requested in the Application;

WHEREAS, ORS has examined the Application and the financial data provided by the Sterling, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by Sterling and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by Sterling;

WHEREAS, ORS has reviewed the prefiled testimony of Terry Wisecup;

WHEREAS, as a result of its investigations, ORS has determined (a) Sterling intends to offer resold local and long-distance telecommunications services such as residential and business local exchange services, switched outbound ("1 +" dialing), toll-free service, directory assistance services, and operator services; (b) the officers of Sterling possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Sterling appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) Sterling's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the services provided by Sterling will meet the service

standards required by the Commission; (f) the provision of services by Sterling will not adversely impact the availability of affordable telecommunications services; (g) to the extent it is required to do so by the Commission, Sterling will participate in the support of universally available telephone service at affordable rates; and (h) the provision of services by Sterling will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that Sterling's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;

2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of Sterling's witness Terry Wisecup without cross-examination by ORS;

3) Sterling has submitted financial data, which was provided as Exhibit D and Supplemental Exhibit D to Sterling's Application and which financial data is incorporated by reference;

4) The Parties agree that Sterling should be granted a Certificate of Public Convenience and Necessity to provide resold local exchange and interexchange telecommunications services within the state of South Carolina;

5) Sterling has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing Sterling to maintain its books and records outside of the State of South Carolina in exchange for Sterling agreeing to provide access to its books and records. ORS is agreeable to Sterling maintaining its books and records at its principal offices in the State of New York, and Sterling agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) ORS does not oppose Sterling's request for waiver of 26 S.C. Code Ann. Regs. 103-631 which requires the publication and distribution of directories, and Sterling agrees to make arrangements with publishers of local directories in South Carolina to include the names and telephone numbers of Sterling's subscribers and customers in local directories, unless a subscriber indicates his/her desire for an unpublished telephone number;

7) Sterling has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). Sterling acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems

of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. Sterling agrees to keep its books, papers, and records in such a manner that permits ORS to examine its revenues and expenses for compliance with programs such as but not limited to the Universal Service Fund ("USF") and the Interim LEC Fund, dual party relay service fund, and gross receipts. Sterling agrees to complete the reporting forms for such programs as but not limited to USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

8) ORS does not oppose Sterling's requests (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days and (b) for alternative regulation of its interexchange business services, consumer card services, operator services, and private line service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated for AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for Sterling's business services, private line, and customer network-type

offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant Sterling the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

9) Sterling agrees to resell the services only of those local exchange providers or interexchange carriers authorized to do business in South Carolina by the Commission. Sterling agrees to notify ORS and the Commission, in writing, of its underlying interexchange carriers and if Sterling changes its underlying interexchange carriers;

10) Sterling agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

11) Sterling agrees to file necessary financial and/or other information with the ORS and the Commission for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Sterling. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.

12) Sterling agrees to maintain its books and records in a manner that would permit ORS to examine any of Sterling's reports filed with the Commission and provided to ORS.

13) Sterling agrees to file with the Commission and ORS a completed authorized utility representative form within thirty (30) days of the Commission's order.

14) It is understood Sterling will not initially offer prepaid calling card services. In the event that Sterling in the future offers or provides such a service, Sterling agrees that it shall post a surety bond or certificate of deposit for prepaid calling card services in the amount of \$5,000 as required by the Commission;

15) In the event that Sterling offers local and long distance services to end users, Sterling agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in the event that Sterling offers local and long distance services to end users, Sterling agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

16) Sterling agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, Sterling agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, Sterling shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

17) To the extent necessary, Sterling agrees to engage in good faith negotiations with non-AT&T incumbent local exchange carriers whose networks interconnect with AT&T at the same local tandem regarding traffic exchange;

18) Sterling agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety

Communications Center,” also known as 911 services.” Sterling agrees to contact the appropriate authorities regarding 911 services in the counties and cities where Sterling will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding Sterling’s operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

19) Sterling agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

20) Sterling agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS’ recommendations as set forth in the summary attached as Exhibit 2 to this Settlement Agreement.

21) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

...’public interest’ means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State’s public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

22) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the

above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

23) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

24) This Settlement Agreement shall be interpreted according to South Carolina law. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

**Representing the Office of Regulatory Staff**

Shealy Boland Reibold

Shealy Boland Reibold, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, SC 29201  
Telephone: (803) 737-0863  
Fax: (803) 737-0895  
Email: [sreibol@regstaff.sc.gov](mailto:sreibol@regstaff.sc.gov)

1/14/08  
Date

WE AGREE:

**Representing Sterling Telecom, Inc.**

Bonnie Shealy

Bonnie Shealy, Esquire  
Robinson, McFadden & Moore, P.C.  
1901 Main Street, Suite 1200  
Post Office Box 944  
Columbia, SC 29202  
Telephone: (803) 779-8900  
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[bshealy@robinsonlaw.com](mailto:bshealy@robinsonlaw.com)

January 14, 2008  
Date

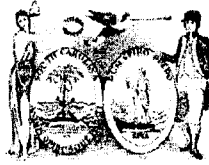
STATE OF SOUTH CAROLINA  
*State Budget and Control Board*  
OFFICE OF RESEARCH & STATISTICS

**EXHIBIT 1**

MARK SANFORD, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

RICHARD ECKSTROM  
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.  
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO  
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING  
1000 ASSEMBLY STREET, SUITE 425  
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers  
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at [www.ors.state.sc.us/digital/E-911.ASP](http://www.ors.state.sc.us/digital/E-911.ASP). If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

ECONOMIC RESEARCH  
WILLIAM GILLESPIE  
(803) 734-3805

GEODETIC SURVEY  
5 GEOLOGY ROAD  
COLUMBIA, S.C. 29210  
LEWIS LAPINE  
(803) 896-7700

DIGITAL CARTOGRAPHY  
(803) 734-3802

HEALTH & DEMOGRAPHICS  
STATISTICS  
1919 BLANDING STREET  
COLUMBIA, S.C. 29201  
WALTER P. BAILEY, M.P.H.  
(803) 898-9941

**Sterling Telecom, Inc. has agreed to incorporate the following changes  
in the tariffs filed with its application.**

**Recommendations for Sterling Telecom's Tariff No. 1**

**Preface Section**

**Original Title Page—The Company should include a Regulatory and/or Customer Service Contact Person as well as Phone Number and/or email address.**

**Section 1 Definitions**

**Original Page 2—The Company should add the following Definition--  
“Commission—The South Carolina Public Service Commission”**

**Original Page 4—The Company should add the following Definition-- “ORS—The South Carolina Office of Regulatory Staff.”**

**Section 2 Regulations**

**Original Page 2 2.1.C—The Company should modify the paragraph as follows--  
“At the end of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by the Company upon 30 days written notice. The Customer may terminate service upon 30 days oral or written notice (SC Reg. 103-624.3). Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.”**

**Original Page 2 2.1.E—The Company should add a number 3 and include the following language-- “the Customer is using the service in violation of Commission Rules and Regulations.”**

**Original Page 5 2.1.6.E—The Company should include charges for “Premise Visits” in rates section of tariff.**

**Original Page 12 2.5.1.A—The Company should add the following language at the end of the paragraph—“These taxes and/or charges will appear as separate line items on the customer bill.”**

**Original Page 13 2.5.4.A Numbers 1 & 2—The Company will delete in its entirety and substitute the following language— “For a new Customer, a maximum deposit may be required up to an amount equal to an estimated two (2) months (60 days) total bill**

(including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months within the preceding six (6) months.” (SC Reg 103-621.2)

**---The Company will also include language consistent with SC Reg 103-621. These regulations are used to determine who the Company may require a deposit.**

**Original Page 14 2.5.4.D—The Company will delete in its entirety and substitute the following language--** “Simple interest on deposits at the rate not less than that as prescribed by the commission shall be paid by the telephone utility to each customer required to make such deposit for the time it is held by the telephone utility. The interest shall be accrued annually and payment of such interest shall be made to the customer at least every two years and at the time the deposit is returned. The deposit shall cease to draw interest on the date it is returned, the date service is terminated, or on the date notice is sent to the customer’s last known address that the deposit is no longer required.” SC Reg 103-621.3

**Original Page 14 2.5.5.A—The Company will delete in its entirety and substitute the following language--** “Service may be terminated for non-payment of a bill, provided the telephone utility has made a reasonable attempt to effect collection and has given the customer written notice that he has five days in which to make settlement on his account or have his service disconnected. Service will be terminated only Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” SC Reg 103-633

**Original Page 15 2.5.5—The Company should add a letter “H” and include the following language--** “Service may also be discontinued for any violation found in SC Regulation 103-625”.

### **Section 3 Application of Rates**

**--There are no recommended changes.**

### **Section 4 Service Areas**

**--There are no recommended changes.**

### **Section 5 Exchange Access Service**

**Original Page 2 5.2-- Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.**

**Original Page 3 5.3-- This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.**

**Original Page 4 5.4**-- This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 5 5.5**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 6 5.6**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 8 5.7.3**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 9 5.7.5**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

#### **Section 6 Exchange Access Optional Features**

**Original Page 1 6.1**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 2 6.2**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 3 6.3.2**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 4 6.4**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 5 6.5**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

**Original Page 5 6.6.2**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

#### **Section 7 Resold Local Exchange Service**

**Original Page 1 7.2**--This Service will need a maximum as well as a current rate for Non-Recurring and Monthly Recurring Charges.

#### **Section 8 Local Calling Service**

**Original Page 2 8.2.1.B**—If this is a residential service, it will need maximum as well as current rates for all.

**Section 9 Intralata Calling Service**

**Original Page 2 9.3**—If this is a residential service, it will need a maximum as well as a current rate for all.

**Section 10 Miscellaneous Services**

**Original Page 5 10.3.2**—This Charge will need a maximum as well as a current rate.

**Original Page 5 10.4.2**—This Charge will need a maximum as well as a current rate.

**Section 11 Special Arrangement**

**Original Page 2 11.2**—The Company will add the following language at the end of the paragraph-- “All ICB’s will be made available to the ORS upon request.”

**Original Page 2 11.3**—The Company will add the following language at the end of the paragraph— “All promotionals will be filed with the Commission and copies will be provided to the ORS.”

**Additional Recommendations**

- 1) The following language should be added to the tariff per Commission Order 95-658:

As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company hereby asserts and affirms that as a reseller of intrastate telecommunications service, the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and the Company will comply with those marketing procedures, in any, set forth by the Public Service Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a rule to Show Cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina. (Commission Order 95-658)

- 2) The Company should include language referencing adjustment of customer billing consistent with SC Reg. 103-623.

- 3) **The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (SC Reg. 103-629).**

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2007-405-C**

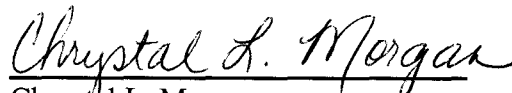
IN RE:

|   |   |                       |
|---|---|-----------------------|
| Application of Sterling Telecom, Incorporated | ) |                       |
| for a Certificate of Public Convenience and   | ) | <b>CERTIFICATE OF</b> |
| Necessity to Provide Local Exchange and       | ) | <b>SERVICE</b>        |
| Interexchange Service in South Carolina and   |   |                       |
| for Flexible and Alternative Regulation       |   |                       |

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Margaret M. Fox, Esquire  
McNair Law Firm, P.A.  
Post Office Box 11390  
Columbia, SC, 29211

Bonnie D. Shealy, Esquire  
Robinson, McFadden & Moore, P.C.  
Post Office Box 944  
Columbia, SC, 29202

  
Chrystal L. Morgan

January 14, 2008  
Columbia, South Carolina